



UN Environment and world's insurers join forces to raise ambition in tackling global sustainability challenges

First-ever insurance industry guide to manage environmental, social and governance risks launched at major UN-Allianz event to drive greater action

12 March 2019—Over 200 insurance industry leaders and key stakeholders from across the globe gathered in Munich last 27 and 28 February to raise the insurance industry's ambition in tackling the world's most pressing sustainability challenges such as climate change, environmental degradation, social inequality, ageing populations, and major health risks.

At the [international event](#), *Insuring for sustainable development: Raising the industry's ambition*, the first-ever [insurance industry guide to manage environmental, social and governance \(ESG\) risks](#)—or sustainability risks—was launched. The event, co-organised by UN Environment's Principles for Sustainable Insurance Initiative (PSI)—the largest collaborative initiative between the UN and the global insurance industry—and by the global insurer, Allianz, was held at Allianz's global headquarters in Munich.

The pioneering PSI guide is the result of a multi-year collaborative effort with leading insurers and key stakeholders through a global consultation process co-led by Allianz and UN Environment. The guide shows how insurers can develop a systematic approach to managing ESG risks such as climate change, environmental degradation, protected sites and species, animal welfare, human rights, controversial weapons, and corruption. It focuses on non-life insurance and includes heat maps indicating the level of potential ESG risk across lines of business and economic sectors—from agriculture, chemicals, defence, energy, healthcare and technology; to infrastructure, manufacturing, mining, real estate, transport and utilities.

"Managing risks is at the heart of any insurer. The sustainability guide for non-life underwriting transactions raises the industry's ambition to manage environmental, social and governance risks and helps to achieve the UN Sustainable Development Goals and the climate target of the Paris Agreement," **said Oliver Bäte, CEO of the Allianz Group, who delivered the opening address at the event.** "We are proud to share our long-standing expertise in integrating sustainability into daily business with peers and partners, who might stand at the beginning of this important development. Driving a low-carbon and inclusive economy to secure our future only will succeed if all players are truly committed and create measurable contributions."

"The latest Intergovernmental Panel on Climate Change (IPCC) report shows that there's a world of a difference—in terms of adverse economic, social and environmental impacts—between a world with an average temperature increase of 2 degrees since pre-industrial levels, and one with 1.5 degrees. As risk managers, insurers and investors, no industry has the capacity to keep us safe other than the insurance industry," **said Christiana Figueres, Convenor of Mission 2020, who delivered a special message at the event.**

Figueres is the UN's former top climate official and was instrumental in forging the historic Paris Agreement on Climate Change in 2015. "The PSI's global sustainability guide is a clarion call for the ambitious action needed in the run up to the UN Secretary-General's Climate Summit and the 2020 climate turning point. As financial scientists, we need the insurance industry to complete the IPCC report by translating the latest climate change science into the language of risk that the world can fully understand and tackle with radical collaboration and stubborn optimism," **added Figueres.**



The first global guide to manage ESG risks in non-life insurance business is open for [public consultation until 30 June 2019](#). A full version of the guide will be produced by the end of 2019 and updated regularly thereafter.

To complement the ESG guide for non-life insurance, the first-ever [insurance industry guidelines to tackle illegal, unreported and unregulated \(IUU\) fishing](#) (see [press release](#)) were also launched by the PSI and Oceana. IUU fishing—or pirate fishing—is one of the most unsustainable practices related to the ocean. This is why UN Sustainable Development Goal 14 to achieve a healthy ocean includes a global target to end IUU fishing by 2020.

Key themes that were discussed at the event include assessing the future of energy and risks and opportunities for insurers in the low-carbon transition, reducing natural disaster risk, closing the insurance protection gap, insuring and investing in a sustainable ocean economy, meeting the Financial Stability Board’s climate risk disclosure recommendations (TCFD), and investing to achieve the UN Sustainable Development Goals.

Furthermore, the event shaped the sustainability agenda for the life and health insurance industry, covering key issues such as the socio-economic impacts of ageing populations and opportunities for insurers, innovations in smart health and prevention and the use of digital technology, and the links between climate change and mortality.

The event deepened industry action and engagement across PSI collaborative initiatives. These include driving climate action and piloting the TCFD recommendations, promoting the Insurance Industry Development Goals for Cities produced by the PSI and ICLEI, developing the first-ever insurance industry guide to protect UNESCO World Heritage Sites, promoting the Tobacco-Free Finance Pledge, supporting the UNEP FI Sustainable Blue Economy Finance Initiative, and developing a sustainable insurance facility for countries that are part of the Vulnerable Twenty Group of Ministers of Finance (V20).

“The UN Sustainable Development Goals and the Paris Agreement on Climate Change are shining examples of global policy frameworks that were forged to solve real-world problems, promote prosperity for all, and protect the planet,” **said Butch Bacani, who leads the PSI at UN Environment and who chaired the two-day event.** “Through their commitment to implement the Principles for Sustainable Insurance, leading insurers from around the world are demonstrating sustainability leadership, taking collaborative action, raising their ambition, and acting with urgency to tackle global sustainability challenges now—not tomorrow or the day after. Timing is key, and time is non-renewable.”

Participants included CEOs, chief underwriting officers, chief investment officers, and heads of strategy, sustainability and resilience of insurance and reinsurance companies, brokers, insurance associations, insurance regulators and supervisors, UN officials, policymakers, civil society organisations, and academia coming from Africa, Asia, Europe, Latin America & the Caribbean, North America, and Oceania.



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Mission 2020

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Notes

- Download the [document](#), “Underwriting environmental, social and governance risks in non-life insurance business: The first ESG guide for the global insurance industry developed by UN Environment’s Principles for Sustainable Insurance Initiative”
- Visit the [project website](#) for more information on the ESG guide, including the public consultation
- Visit the [event website](#) for more information on the international PSI-Allianz event, “Insuring for sustainable development: Raising the industry’s ambition”

About UN Environment’s Principles for Sustainable Insurance Initiative

Endorsed by the UN Secretary-General and insurance industry CEOs, the Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities—and a global initiative to strengthen the insurance industry’s contribution as risk managers, insurers and investors to building resilient, inclusive and sustainable communities and economies. Developed by UN Environment’s Finance Initiative, the PSI was launched at the 2012 UN Conference on Sustainable Development, and is the largest collaborative initiative between the United Nations and the insurance industry.

www.unepfi.org/psi / Twitter: @PSI_Initiative

About Allianz

The Allianz Group is one of the world’s leading insurers and asset managers with more than 92 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world’s largest investors, managing around 673 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage more than 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2018, over 142,000 employees in more than 80 countries achieved total revenues of 131 billion euros and an operating profit of 11.5 billion euros for the group.

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About Mission 2020

We’re on a mission to drive urgent action to limit the effects of climate change, particularly for the most vulnerable people and countries. With radical collaboration and stubborn optimism we will bend the curve of global greenhouse gas emissions by 2020, enabling humanity to flourish. It’s necessary, it’s desirable and it’s achievable.

www.mission2020.global